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ACTION H-01

INFO LOG-00 ARA-01 DS-00 TEDE-00 INR-00 ADS-00 SS-00
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R 311323Z AUG 98
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INFO AMEMBASSY QUITO
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AMEMBASSY PORT OF SPAIN
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USIA WASHDC 1724
USDOC WASHDC 3045

C O N F I D E N T I A L SECTION 01 OF 06 CARACAS 002637

STATE FOR ARA, ARA/EX, INR, AND H

STATE PLEASE PASS TO HOUSE INTERNATIONAL RELATIONS COMMITTEE,
SUBCOMMITTEE ON THE WESTERN HEMISPHERE (PAUL BONICELLI AND
DAVID ADAMS)

E.O. 12958: DECL: 08/18/08
TAGS: PGOV, PREL, PINR, ECON, EFIN, VE
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SUBJECT: STAFFDEL MEETS WITH PRESIDENTIAL CAMPAIGN STAFFS,
POLITICAL PARTIES, AND ANALYSTS

CLASSIFIED BY CHARGE D'AFFAIRES NANCY MASON. REASONS 1.5(B) AND
(D).

SUMMARY

1. (C) STAFF MEMBERS OF THE SUBCOMMITTEE ON THE WESTERN HEMI-
SPHERE OF THE HOUSE INTERNATIONAL RELATIONS COMMITTEE (HIRC) PAUL
BONICELLI AND DAVID ADAMS MET WITH THE CAMPAIGN STAFFS OF VENEZU-
ELA'S LEADING PRESIDENTIAL CANDIDATES, KEY PARTY LEADERS, AND
INDEPENDENT ECONOMIC AND POLITICAL ANALYSTS ON SEPTEMBER 11 AND

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UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: OSCAR J OLSON
CLASSIFICATION: CONFIDENTIAL REASON: 1.4(D)
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12. DISCUSSIONS WERE HELD WITH THE CAMPAIGN BOSSES OF THE PRESIDENTIAL CANDIDATES IRENE SAEZ CONDE, HENRIQUE SALAS ROMER, AND LUIS ALFARO UCERO. STAFFDEL ALSO MET WITH THE MOVEMENT TOWARDS SOCIALISM (MAS) CAMPAIGN BOSS WHO HAS A SEAT ON THE HUGO CHAVEZ FRIAS CAMPAIGN COMMITTEE. MEETINGS WITH TWO THINK-TANKS, THE VENEZUELAN-AMERICAN CHAMBER OF COMMERCE (VENAMCHAM), STATE OIL COMPANY PDVSA, AND INDEPENDENT POLITICAL AND ECONOMIC ANALYSTS PROVIDED STAFFDEL A BROAD OVERVIEW OF VENEZUELA'S CURRENT POLITICAL AND ECONOMIC LANDSCAPE. END SUMMARY.

MAS'S MISSION: CIVILIZE AND DEMOCRATIZE HUGO CHAVEZ

3. (U) DIAZ BEGAN THE MEETING BY EXPLAINING THAT CHAVEZ WAS STILL IN THE PROCESS OF LEARNING TO BE A POLITICIAN. HE COMMENTED CHAVEZ WAS ONLY A "FIVE YEAR OLD POLITICIAN" -- THE NUMBER OF YEARS IN CHAVEZ'S ADULT LIFE THAT HE WAS NOT IN THE MILITARY AND THE NUMBER OF YEARS SINCE HIS RELEASE FROM PRISON. INITIALLY, DIAZ EXPLAINED, CHAVEZ FOUND HIS IDEOLOGICAL SOUL MATES IN THE "MINUSCULE" EXTREME LEFT AND EXTREME "REVANCHIST" RIGHT OF THE VENEZUELAN POLITICAL SPECTRUM. AS CHAVEZ MATURED POLITICALLY, DIAZ ARGUED, HE EXPOSED HIMSELF TO MODERATE-LEFT PARTIES SUCH AS MAS, HOMELAND FOR ALL (PPT), AND THE PEOPLE'S ELECTORAL MOVEMENT (MEP). GRADUALLY, CHAVEZ MOVED TO THE CENTER, SEPARATING HIMSELF FROM THE RADICAL LEFT AND RIGHT. DIAZ ASSERTED THAT MAS WOULD GROW STRONGER WITHIN THE CHAVEZ CAMP AND SERVE AS A "STABILIZER."

4. (U) AS AN EXAMPLE OF MAS' STABILIZING ROLE, DIAZ EXPLAINED THAT THE "POLITICAL/LEGAL STRUCTURE THAT MAINTAINS A 'DO-NOTHING, CORRUPT' CONGRESS NEEDS TO BE DISMANTLED." HOWEVER, THE CONSTITUENT ASSEMBLY CHAMPIONED BY CHAVEZ WAS ONLY ONE WAY TO DO THIS, WHILE SIZEABLE MAS/PPT VICTORIES IN CONGRESS MIGHT ENABLE CONGRESS TO REFORM FROM WITHIN, SAID DIAZ. DIAZ ALSO EXPLAINED THAT MAS WAS WORKING TO HAVE ALL THE PRESIDENTIAL CANDIDATES SIGN A PLEDGE TO RESPECT THE RESULTS OF THE ELECTIONS. HE ASSERTED THAT NEITHER MAS, PPT, NOR CHAVEZ WOULD CHALLENGE THE RESULTS.

5. (U) IN RESPONSE TO POLOFF'S QUESTION WHY A MODERATING CHAVEZ

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WOULD ACCEPT THE ENDORSEMENT OF THE COMMUNIST PARTY OF VENEZUELA (PCV), DIAZ RESPONDED THAT CHAVEZ WAS BUILDING AS BROAD A BASE OF SUPPORT AS POSSIBLE AND WOULD ACCEPT THE SUPPORT OF ALL INTERESTED PARTIES. DIAZ THEN ADDED THAT THE PCV WAS A TINY PARTY THAT OFFERED ONLY NEGLIGIBLE SUPPORT AT THE POLLS.

6. (U) DIAZ OPINED THAT CHAVEZ HAD REACHED THE LIMIT OF HIS SUPPORT WITH THE 45 PERCENT REFLECTED IN THE POLLS. ACCORDING TO DIAZ, CHAVEZ'S SUPPORT SHOULD PLATEAU THROUGH AUGUST AND SEPTEMBER BEFORE FALLING TO ABOUT 36 PERCENT. DIAZ ALSO CONCEDED THAT CHAVEZ HAS VERY HIGH NEGATIVES, WITH A REJECTION RATE BETWEEN 32 AND 36 PERCENT. DISCUSSING THE NOVEMBER GUBERNATORIAL AND CONGRESSIONAL ELECTIONS, DIAZ SUGGESTED THAT THE AD/COPEI STRATEGY TO HAND CHAVEZ A DEFEAT BEFORE THE DECEMBER PRESIDENTIAL ELECTION WOULD BACKFIRE. DIAZ STATED THAT THE CHAVEZ COALITION WILL WIN 9 GOVERNORSHIPS: MAS WILL WIN 5, PPT 3, AND INDEPENDENT ZULIA GOVERNOR ARIAS CARDENAS WILL WIN REELECTION. (NOTE: ARIAS WAS CHAVEZ'S NUMBER TWO IN THE FEBRUARY 1992 COUP ATTEMPT.) DIAZ ARGUED THAT THE STRENGTH OF CHAVEZ HIMSELF, THE HIGH-LEVEL OF

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SUBJECT: STAFFDEL MEETS WITH PRESIDENTIAL CAMPAIGN STAFFS,
POLITICAL PARTIES, AND ANALYSTS

POPULAR DISSATISFACTION WITH TRADITIONAL PARTIES, AND THE
STRENGTH OF THE MVR, MAS, PPT ALLIANCE WOULD SECURE CHAVEZ THESE
GOVERNORSHIPS.

A BUSINESSMAN, AN ECONOMIST, AN OIL EXECUTIVE AND A COUPSTER

7. (U) VENEZUELAN-AMERICAN CHAMBER OF COMMERCE (VENAMCHAM) VICE
PRESIDENT TONY HERRERA TOLD STAFFDEL THAT THE VENAMCHAM BOARD OF
DIRECTORS HAD HELD A TOUGH FOUR-HOUR MEETING WITH CHAVEZ WHERE
THEY DISCUSSED CHAVEZ'S ECONOMIC PROGRAM AND ITS IMPACT ON
FOREIGN INVESTMENT. ACCORDING TO HERRERA, CHAVEZ LISTENED
INTENTLY AND EXPLAINED THAT HE STILL HAS MUCH TO LEARN. HERRERA
ACKNOWLEDGED THAT CHAVEZ'S ASCENDANCE IN THE POLLS HAS SCARED OFF
SOME INVESTMENT, BUT STATED THAT THE REAL ISSUE IS NOT "IF PEOPLE
WILL INVEST, BUT RATHER WHEN." HERRERA ALSO POINTED TO GROWING
INFLATION AND AN OVERVALUED BOLIVAR AS ADDITIONAL REASONS TO
ASSUME A WAIT-AND-SEE POSITION ON INVESTMENT IN VENEZUELA.

8. (U) TOBY BOTTOME, THE EDITOR OF THE VENECONOMY NEWSLETTER,
WAS NOT AS SANGUINE AS VENAMCHAM. BEGINNING HIS PRESENTATION TO
STAFFDEL, BOTTOME EXPLAINED THAT IN A RECENT POLL BY CONSULTORES
21, A RESPECTED SURVEY AGENCY, 87 PERCENT OF VENEZUELAN CON-
CURRED WITH THE STATEMENT, "VENEZUELA HAS OIL. VENEZUELA IS
RICH. I AM NOT ENJOYING THE BENEFITS OF MY WEALTH BECAUSE THE
POLITICIANS ARE STEALING." BOTTOME STATED THAT CHAVEZ WAS
TAPPING INTO THIS RAGE, BUT THAT CHAVEZ'S RESPONSE TO THIS RAGE

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WOULD ONLY WORSEN THE CURRENT ECONOMIC SITUATION. BOTTOME
REPORTED THAT DURING A CONFERENCE SPONSORED BY VENECONOMY,
CHAVEZ:

- STATED THAT HE WOULD TURN BACK VENEZUELA'S POLICY OF OPENING

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- THE OIL SECTOR TO FOREIGN INVESTMENT,
- ASSERTED THAT VENEZUELAN OVER-PRODUCTION OF OIL HAD SINGLE-HANDEDLY CAUSED THE COLLAPSE IN THE PRICE OF OIL,
 - DECLARED THAT VENEZUELA MUST ACHIEVE AUTARKY IN AGRICULTURAL PRODUCTION AND OFFERED PROTECTIONIST MEASURES TO ACHIEVE IT,
 - PROMISED TO INVESTIGATE THE "LEGALITY" OF PRIVATIZATIONS, AND
 - PROPOSED THE CONSTITUENT ASSEMBLY AS THE ANSWER TO ALL THAT AILS VENEZUELA.

ESSENTIALLY, BOTTOME ECHOED SOCIAL CHRISTIAN (COPEI) SENATOR EDUARDO FERNANDEZ'S COMMENT TO STAFFDEL THAT "THE CHAVEZ CURE IS WORSE THAN THE DISEASE."

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SALAS: THE "MORNING IN VENEZUELA" CAMPAIGN

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10. (U) PRESIDENTIAL CANDIDATE HENRIQUE SALAS ROMER'S CAMPAIGN MANAGER ALBERTO FRANCESCHI ASSERTED THAT ONLY TWO CANDIDATES PRESENTED REAL OPTIONS FOR RADICAL CHANGE -- SALAS AND CHAVEZ. FRANCESCHI EXPLAINED THAT CHAVEZ OFFERED UNENLIGHTENED RADICAL CHANGES REMINISCENT OF THE FAILED STATIST POLICIES OF THE 1960S AND 1970S. SALAS, FRANCESCHI DECLARED, IN CONTRAST OFFERS RADICAL CHANGE TO LEAD VENEZUELA FORWARD INTO THE NEXT MILLENNIUM, AND TO CHANGE VENEZUELA'S POLITICAL STRUCTURE. AT A SEPARATE MEETING, BOTTOME REFERRED TO SALAS AS "CHAVEZ WITH VELVET GLOVES." THE CAMPAIGN MANAGER EXPLAINED THAT NINETY PERCENT OF THE CAMPAIGN RATIONALE WAS TO EXPLAIN WHY A BREAK WITH THE PAST WAS NECESSARY, TO DESCRIBE WHAT SALAS WOULD DO FOR THE COUNTRY, AND TO OFFER AN OPTIMISTIC IMAGE.

11. (U) FRANCESCHI STATED THAT THERE WERE THREE POSSIBLE CONCLUSIONS FOR THESE ELECTIONS: CHAVEZ WINS, SALAS WINS, OR CHAVEZ AND SALAS ARE DEADLOCKED, IN WHICH CASE THE COUNTRY RISKS "CIVIL WAR." THEREFORE, THE TASK AT HAND FOR THE SALAS CAMPAIGN

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R 311323Z AUG 98
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WAS TO DRAW A SHARP DISTINCTION BETWEEN CHAVEZ AND SALAS TO
DISSUADE THE ELECTORATE FROM PURSUING THE CHAVEZ "ADVENTURE."
FRANCESCHI CRITICIZED "PETTY POLITICIANS" FOR HAVING MADE CHAVEZ
BIG BY CRITICIZING HIM. INSTEAD, FRANCESCHI ARGUED, ONE SHOULD
IGNORE CHAVEZ AND GO AFTER HIS SUPPORTERS. AS FOR CHAVEZ,
FRANCESCHI ARGUED THAT CHAVEZ HAD MOVED FROM BEING A TRUE INDE-
PENDENT TO BEING A "PARTY" (PPT) CANDIDATE, TO BEING A CANDIDATE
OF A PARTY OF GOVERNMENT (MAS) CANDIDATE. ASSERTING THAT IT WAS
ADVANTAGEOUS TO NOT DO WHAT THE PARTIES WERE DOING, FRANCESCHI
STATED THAT SALAS WOULD CONTINUE TO REFUSE THE SUPPORT OF OTHER

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PARTIES. THE SALAS CAMPAIGN WOULD NOT DIRECTLY CHALLENGE CHAVEZ, BUT RATHER TAKE THEIR CAMPAIGN OVER THE HEADS OF THE POLITICAL PARTIES AND OTHER CANDIDATES DIRECTLY TO THEIR SUPPORTERS AND OTHER VOTERS.

12. (U) JOHN SALAS, THE CANDIDATE'S COUSIN AND MEDIA ADVISOR, EMPHASIZED THE NEED TO: ENHANCE THE DECENTRALIZATION PROCESS DEVOLVING MORE POWER AWAY FROM THE PRESIDENCY; ALTER PARTY POLITICS BY SEPARATING THE POLITICAL LEADERSHIP FROM THE PROFESSIONAL STAFF; AND "DEMARGINALIZE" THE BARRIOS. ACCORDING TO JOHN SALAS, THE CANDIDATE WOULD ESTABLISH PROGRAMS TO "BUILD WEALTH, PROVIDE EDUCATION, AND SET SOCIAL POLICY." FRANCESCHI COMMENTED THAT ONE HALF OF THE COUNTRY -- THE POOR AND UNEDUCATED HALF -- WAS PULLING DOWN THE OTHER HALF.

13. (U) JOHN SALAS EXPLAINED THAT CANDIDATE SALAS HAS SOUGHT TO MAINTAIN A LOW PROFILE, AND IS LIKELY TO DO SO FOR THE NEXT FEW WEEKS. JOHN SALAS ASSERTED POLOFF THAT THE CANDIDATE'S POPULARITY
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TY HAS BEEN GROWING IN THE POLLS LARGELY BECAUSE OF A "WORD-OF-MOUTH" CAMPAIGN THAT HAS GRADUALLY EXPANDED SUPPORT FOR SALAS FROM A SOLID BASE IN THE HIGHEST SOCIAL/ECONOMIC CLASSES CREEPING DOWN THE SOCIO-ECONOMIC SCALE.

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IRENE TO ATTACK CHAVEZ

15. (U) DECLARING THESE ELECTIONS TO BE THE MOST "DELICATE" VENEZUELAN ELECTIONS THIS CENTURY, IRENE SAEZ CAMPAIGN MANAGER EZEQUIEL ZAMORA STATED THAT THESE ELECTIONS WERE CHARACTERIZED BY THE DETERIORATION OF THE TRADITIONAL PARTIES WHICH HAS ENABLED A FORMER COUP LEADER TO ASSUME THE LEAD IN THE POLLS. ZAMORA SAID SAEZ WILL SEEK TO CONTRAST HERSELF WITH CHAVEZ, AND WILL DIRECTLY ATTACK CHAVEZ. FOR EXAMPLE, ZAMORA STATED THAT SAEZ WILL CHALLENGE CHAVEZ TO A FACE-TO-FACE DEBATE. BY THE NOVEMBER ELECTIONS, ZAMORA ASSERTED, 80 PERCENT OF THE ELECTORATE WILL BE AGAINST CHAVEZ. IDEALLY, ZAMORA SAID, SAEZ WILL BE IN SECOND PLACE BY NOVEMBER, AND WELL WITHIN STRIKING DISTANCE TO SERIOUSLY DAMAGE CHAVEZ'S CAMPAIGN WITH DIRECT ASSAULTS. IN CONTRAST TO SAEZ'S ANTI-CHAVEZ STRATEGY, THE SAEZ CAMPAIGN WILL "IGNORE" SALAS. ZAMORA BELIEVES THAT SALAS' OWN ARROGANCE AND LACK OF A SUPPORT BY PARTY MACHINE WILL UNDERCUT HIM. (NOTE: NEARLY ALL OF THE PEOPLE WITH WHOM STAFFDEL MET COMMENTED ON SALAS ARRO-

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GANCE. END NOTE.) ZAMORA ALSO COMMENTED THAT SUPPORT FOR SALAS
WAS SOFT, AND THAT HIS POLLING FIGURES WERE INFLATED.

16. (U) ZAMORA ATTRIBUTED SAEZ'S DECLINE IN THE POLLS OVER THE
PAST YEAR TO: HER ALLIANCE WITH COPEI, THE POOR ECONOMIC SITUA-
TION AND "COLLAPSE" IN LIVING STANDARDS, AND THE FACT THAT CHAVEZ
IS SAYING WHAT THE PUBLIC WANTS TO HEAR. BY CAREFULLY POSITION-
ING SAEZ IN REGIONAL ALLIANCES WITH COPEI AND AD, ZAMORA SAID
THAT SAEZ WILL BE ABLE TO DEFEAT CHAVEZ IN THE NOVEMBER ELEC-
TIONS. INDICATING THAT SAEZ DOES NOT WANT TO BREAK TIES, ZAMORA
CLAIMED SAEZ WOULD SECURE 18-19 PRO-SAEZ GOVERNORS IN NOVEMBER:
10-12 FOR AD, 5 FOR COPEI, 3 FOR OTHER I.R.E.N.E. SUPPORTED
CANDIDATES. ZAMORA EXPLAINED THAT THE RECENTLY CEMENTED AD/
COPEI/IRENE ALLIANCE IN CARACAS FOR THE NOVEMBER ELECTIONS WOULD
GARNER 50-65 PERCENT OF THE VOTE, INSTEAD OF 80 PERCENT FOR
CHAVEZ.

17. (C) COMMENTING ON THE DEPARTURE OF THE RADICAL CAUSE (LCR)
PARTY FROM THE SAEZ RANKS AFTER THE FORMATION OF THE AD/COPEI/
IRENE CARACAS ALLIANCE, ZAMORA SAID THAT LCR BROUGHT ONLY "IMAGE"
BUT FEW VOTES TO THE CAMPAIGN. ZAMORA THEN EXPLAINED THAT LCR
DOES NOT HAVE THE LEGAL RIGHT TO TAKE ITS SUPPORT AWAY FROM THE
SAEZ CAMPAIGN OR TO GIVE ITS SUPPORT TO A NEW PRESIDENTIAL
CANDIDATE. ACCORDING TO ZAMORA, ARTICLES 150-156 OF THE ELECTOR-
AL LAW STATE THAT THIS CAN BE DONE ONLY IF THE CANDIDATE DIED,
THE CANDIDATE RENOUNCED THE SUPPORT OF THE ENDORSER, OR A COURT
ORDERED THE SPLIT. IN SHORT, LCR WILL NOT BE ABLE TO PUT FORTH
ITS OWN PRESIDENTIAL CANDIDATE. THEREFORE, ZAMORA STATED, HE WAS

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WAITING FOR THE LCR LEADERSHIP TO COME AND NEGOTIATE A MODUS
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18. (U) ZAMORA TOLD STAFFDEL THAT THE SAEZ CAMPAIGN WOULD SOON RELEASE ITS GOVERNMENT PROGRAM. HE EXPLAINED THAT THREE VERSIONS OF THIS PLATFORM WOULD BE DISTRIBUTED: A COMPREHENSIVE VOLUME FOR EMBASSIES AND POLITICAL ANALYSTS; A SHORTER "PRESS KIT" VERSION; AND A PAMPHLET VERSION FOR THE GENERAL PUBLIC. TOUCHING ON SOME OF THE TOPICS OF THE PROGRAM, ZAMORA EXPLAINED THAT SAEZ WOULD SECURE THE RESOURCES TO DEAL WITH THE CURRENT ECONOMIC CRISIS BY: CUTTING PDVSA INVESTMENT BY USD 1.5 BILLION; CUTTING USD ONE BILLION FROM THE GOVERNMENT BUDGET; OBTAINING USD 800 MILLION FROM THE PRIVATIZATION OF STATE ALUMINUM PLANT SIDOR; AND USD 1.5 BILLION IN NEW CREDIT. ZAMORA ADDED THAT SAEZ HAD NO "ALLERGY" TO FOREIGN INVESTMENT, ESPECIALLY IF IT WILL FURTHER THE DEVELOPMENT OF PRODUCTIVE COMPANIES. ACCORDING TO ZAMORA, SAEZ DID NOT FAVOR PRIVATIZING PDVSA SINCE THE PROCEEDS WOULD MERELY BE USED TO RESOLVE MOMENTARY, SHORT-TERM PROBLEMS.

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ALFARO OFFERS AD'S EXPERIENCE TO DEAL WITH ECONOMIC CRISIS

20. (U) AD INTERNATIONAL AFFAIRS SECRETARY TIMOTEO ZAMBRANO GUEDEZ, WHO IS ALSO RUNNING FOR SENATOR IN THE FEDERAL DISTRICT, OPENED HIS DISCUSSION OF ELECTORAL POLITICS BY REMARKING THAT VENEZUELA WAS CURRENTLY IN THE MIDST OF AN ECONOMIC CRISIS. WITH A FORMER COUP LEADER DOMINATING THE POLLS, ZAMBRANO STATED THAT VENEZUELAN'S WILL BE PRESENTED WITH A STARK CHOICE BETWEEN DEMOCRACY AND LIBERTY ON THE ONE HAND, AND "A VIOLENT, CUBAN-STYLE RUPTURE" ON THE OTHER HAND. AD, "A PILLAR OF VENEZUELAN DEMOCRACY," ZAMBRANO CONTINUED, WILL FIGHT FOR "DEMOCRACY AND LIBERTY, AND WE CAN WIN BOTH." ZAMBRANO ALSO ASSERTED THAT ONLY AD HAD THE ABILITY TO LEAD THE GREAT NUMBER OF PEOPLE AND ORGANIZATIONS THAT WOULD BE NEEDED TO LEAD VENEZUELA OUT OF THIS ECONOMIC AND POLITICAL CRISIS. ONLY AD -- THE PARTY THAT COULD TALK TO THE UNIONS, THE CHAMBERS OF COMMERCE, AND OTHER IMPORTANT SECTORS

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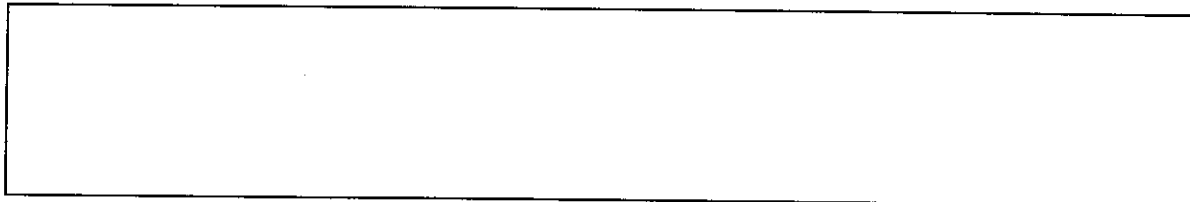
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OF VENEZUELAN SOCIETY -- COULD SECURE THE CONSENSUS THAT WILL BE
NEEDED TO AFFECT "SINCERE" CHANGE IN VENEZUELA, ZAMBRANO ARGUED.



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22. (U) ZAMBRANO SAID AD WILL ATTACK CHAVEZ FOR "BEING A COMMUNIST." WHILE SUCH AN ANTI-COMMUNIST CAMPAIGN MIGHT SOUND ODDLY OUT OF PLACE IN THE WAKE OF THE FALL OF THE BERLIN WALL AND THE COLLAPSE OF THE SOVIET UNION, ZAMBRANO EXPLAINED LATER TO POLCOUNS THAT THIS ANTI-COMMUNIST MESSAGE STILL RESONATED WITH MANY OF AD'S SUPPORTERS. FOR EXAMPLE, AD WILL ATTEMPT TO MAKE POLITICAL HAY OF CHAVEZ'S 1994 TRIP TO CUBA, AND OF A COLOMBIAN FARC COMMANDER'S PUBLIC DECLARATION OF SYMPATHY FOR CHAVEZ.

23. (U) WHILE AD CANDIDATE ALFARO REMAINS LOW IN THE POLLS, ZAMBRANO EXPLAINED THAT AD'S CANDIDATE HAD ONLY BEEN CAMPAIGNING FOR 50 DAYS AND WOULD SOON RISE TO ABOUT 18 PERCENT IN THE POLLS. CURRENTLY, ALFARO WAS FOCUSING ON SHORING UP SUPPORT WITHIN AD FOR HIS CANDIDACY, AND HAD ALREADY SECURED THE SUPPORT OF HALF OF
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AD MILITANTS. ACCORDING TO ZAMBRANO, SINCE AD VOTERS COMPRISE 28 PERCENT OF THE ELECTORATE, ONCE ALFARO CEMENTS HIS AD SUPPORT THE ELECTORAL LANDSCAPE WOULD BE ALTERED. FURTHERMORE, ZAMBRANO STATED THAT AD WOULD WIN 11 OF 23 GOVERNORSHIPS IN NOVEMBER, AND CONTROLLED 196 OF 320 MAYORSHIPS. THIS NETWORK OF GOVERNORS AND MAYORS WOULD MOBILIZE VOTERS TO TURN OUT FOR ALFARO, ARGUED ZAMBRANO. SANTIAGO MALAVE, A POLITICAL ANALYST AT AD'S RAUL LEONI CENTER, PREDICTED THAT VOTER TURNOUT FOR THE NOVEMBER ELECTIONS WILL BE LOW, AND SUGGESTED THAT THIS WOULD BENEFIT TRADITIONAL PARTIES THAT COULD MOBILIZE THEIR SUPPORTERS TO VOTE. BY HANDING CHAVEZ A DEFEAT IN THE NOVEMBER ELECTIONS, BOTH ZAMBRANO AND MALAVE SAID, AD WOULD ENABLE AD TO ATTRACT EVEN MORE SUPPORT.

24. (U) SANTIAGO MALAVE AD NORMALLY NOMINATED ITS PRESIDENTIAL CANDIDATE ONE YEAR BEFORE THE ELECTIONS. THIS YEAR, AD NOMINATED ITS CANDIDATE ONLY EIGHT MONTHS BEFORE THE ELECTIONS. CURRENTLY, MALAVE EXPLAINED, AD WAS SCRAMBLING TO CONSOLIDATE THE PARTY BEHIND THE CANDIDATE. MALAVE STATED THAT ALFARO'S FIRST TASK WAS TO CONVINCE AD MILITANTS TO SUPPORT HIM. MALAVE ESTIMATED THAT 50 PERCENT OF AD MILITANTS NOW SUPPORTED ALFARO, AND PREDICTED THAT BY SEPTEMBER ALFARO WOULD HAVE NEARLY 100 PERCENT OF THIS SUPPORT.

25. (C) (NOTE: SENATOR LEWIS PEREZ, AT ONE TIME A CONTENDER FOR AD'S PRESIDENTIAL NOMINATION AND NOW AD'S SECRETARY GENERAL, LATER CONFIDED TO POLCOUNS THAT AD'S INTERNAL POLLING SHOWED THAT

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ONLY 30 PERCENT OF AD MILITANTS CURRENTLY SUPPORT ALFARO. PEREZ
COMPLAINED THAT ALFARO HAD ISOLATED HIMSELF FROM THE PARTY, AND
SIMPLY DID NOT TAKE ANY ADVICE. ACCORDING TO PEREZ, ALFARO
CURRENTLY POLLED ABOUT 9-10 PERCENT OF THE ELECTORATE. END NOTE)

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BUILDING AN ANTI-CHAVEZ FRONT?

26. (U) SENATOR EDUARDO FERNANDEZ, FORMER COPEI PRESIDENTIAL
CANDIDATE AND HEAD OF THE "THOUGHT AND ACTION (PENSAMIENTO Y
ACCION)" THINK-TANK, IS A LEADER IN THE DRIVE TO CREATE AN "ANTI-
CHAVEZ FRONT TO AVOID THE RISK OF HAVING CHAVEZ WIN." CALLING
CHAVEZ "SMART, BUT IRRESPONSIBLE AND FOOLISH," FERNANDEZ SAID
HE BELIEVED THE "DEMOCRATIC" CANDIDATES NEEDED TO JOIN FORCES AND
"APPEAL TO THE CONSCIENCES OF VENEZUELA'S CITIZENS." FERNANDEZ
THOUGHT THE NOVEMBER 6 ELECTIONS COULD BE THE CATALYST TO FORM
SUCH AN ALLIANCE. THE SENATOR OPINED THE CANDIDATES CANNOT "ACT
LIKE CHAMBERLAIN" WITH CHAVEZ, HAD TO STOP PLAYING POLITICS, AND
NEEDED TO ATTACK CHAVEZ.

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DSCC-00 SAS-00 /002W

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R 311323Z AUG 98
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 1557
INFO AMEMBASSY QUITO
AMEMBASSY LIMA
AMEMBASSY GEORGETOWN
AMEMBASSY PORT OF SPAIN
AMEMBASSY BRASILIA
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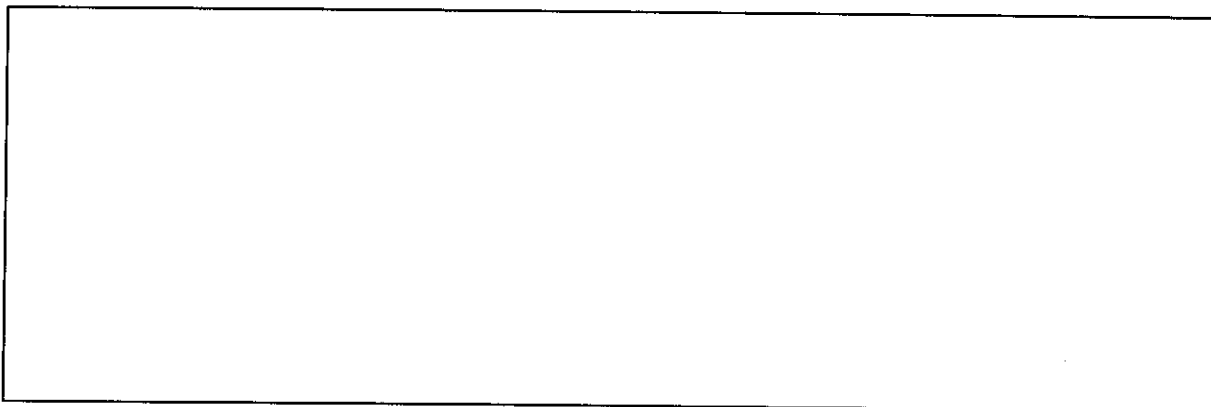
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STATE FOR ARA, ARA/EX, INR, AND H

STATE PLEASE PASS TO HOUSE INTERNATIONAL RELATIONS COMMITTEE,
SUBCOMMITTEE ON THE WESTERN HEMISPHERE (PAUL BONICELLI AND
DAVID ADAMS)

E.O. 12958: DECL: 08/18/08
TAGS: PGOV, PREL, PINR, ECON, EFIN, VE
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SUBJECT: STAFFDEL MEETS WITH PRESIDENTIAL CAMPAIGN STAFFS,
POLITICAL PARTIES, AND ANALYSTS



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THE YOUTH VOTE

28. (U) CARLOS LIZARRALDE, PUBLISHER OF THE VILLAGE VOICE-LIKE
NEWSPAPER "URBE," MET WITH STAFFDEL TO DISCUSS HIS GET-OUT-THE-
VOTE CAMPAIGN. WITH FUNDING FROM THE INTERNATIONAL REPUBLICAN
INSTITUTE (IRI), LIZARRALDE HAS LAUNCHED A PUBLIC AWARENESS
CAMPAIGN CALLED "GIVE THEM THE FINGER." (NOTE: THE FINGER
REFERRED TO THE LITTLE FINGER, WHICH IS DIPPED IN INDELIBLE INK
AFTER ONE HAS VOTED TO DISCOURAGE MULTIPLE TRIPS TO THE POLLS.
END NOTE.) ACCORDING TO LIZARRALDE, AN ESTIMATED 4.8 MILLION
VOTERS BETWEEN THE AGES OF 18 AND 29 HAD NOT REGISTERED BEFORE
THE OPENING OF THIS YEAR'S REGISTRATION SEASON. AS OF AUGUST 3,
LIZARRALDE STATED, CNE STATISTICS INDICATED THAT 853,000 NEW
VOTERS OF ALL AGES HAD REGISTERED. LIZARRALDE ALLEGED THAT THE
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"AD-CONTROLLED BUREAUCRACY" WITHHELD 2 MILLION IDENTITY CARDS, A NECESSITY TO REGISTER TO VOTE, FROM THE PUBLIC. INTENDED TO DENY CHAVEZ SUPPORTERS ACCESS TO THE POLLS, LIZARRALDE EXPLAINED, THIS MANEUVER ALSO HIT YOUNG VOTERS HARD. IN A COUNTRY WHERE THE LAST PRESIDENTIAL ELECTION WAS WON BY ONLY 115,000 VOTES, THE YOUTH COULD FEASIBLY DECIDE THIS ELECTION.

29. (U) (NOTE: LIZARRALDE IS FRUSTRATED BY WHAT HE SEES AS INEPT EFFORTS TO MOBILIZE YOUNG VOTERS. HIS FIGURES REGARDING VOTER REGISTRATION ARE SKEWED. ACCORDING TO CNE, THERE WERE 1.2 MILLIONS NEW VOTERS WHO NEED TO BE REGISTERED, PLUS ANOTHER 3 MILLION WHO AD TO RE-REGISTER. THE REGISTRATION DRIVE WAS VERY SUCCESSFUL AMONG NEW VOTERS WITH WELL OVER 50 PERCENT REGISTERING. OVERALL, OUT OF A POTENTIAL ELECTORAL UNIVERSE OF 14 MILLION VOTERS, NEARLY 11 MILLION (78 PERCENT) ARE REGISTERED. END NOTE.)

COMMENT

30. (C) STAFFDEL'S VISIT PRESENTED EMBASSY AN EXCELLENT OPPORTUNITY TO CONDUCT A SHORT, INTENSE SURVEY OF THE CAMPAIGN STRATEGIES OF THE DIFFERENT CANDIDATES. THE VARIETY OF VIEWS IS EVIDENCE OF THE CONTINUING VOLATILITY OF THE ELECTORATE AND THE STRUGGLE WITHIN EACH POLITICAL CAMP TO SHAPE TACTICS TO MATCH A POLITICAL LANDSCAPE WHICH MOST VENEZUELAN'S FIND NEW AND INTIMIDATING. END COMMENT.

31. (U) THIS MESSAGE WAS NOT CLEARED BY STAFFDEL.

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